

April 11, 2002

To: Supervisor Zev Yaroslavsky, Chairman
Supervisor Gloria Molina
Supervisor Yvonne Brathwaite Burke
Supervisor Don Knabe
Supervisor Michael D. Antonovich

From: David E. Janssen
Chief Administrative Officer

MOTION ON FEDERAL CHILD SUPPORT PENALTIES (ITEM NO. 28, AGENDA OF APRIL 16, 2002)

Item No. 28 on the April 16, 2002 Agenda is a motion by Supervisor Molina recommending that the Board send five-signature letters to the State's Congressional delegation urging their support for Federal legislation to revise Federal penalties for the failure to implement a statewide child support automated data system and to provide states with the option to reinvest the penalties into the child support program rather than returning funds to the Federal budget. The motion was introduced at the request of the County's Child Support Services Department.

As indicated in the motion, the State of California has been paying Federal fiscal penalties for its failure to implement a statewide child support automated data system. The projected penalty for the State's 2002-03 fiscal year would be an estimated \$181 million. The Governor's proposed 2002-03 Budget assumes that Federal law would be amended to eliminate the penalty, but there currently are no pending Federal bills to eliminate it. There are proposals being discussed in Washington, however, to reduce the size of the penalty and to allow states to reinvest a portion of the penalty into the child support program, consistent with the motion's recommendations.

There currently are no Board policies relating to Federal child support penalties. We recommend that your Board approve the motion because the imposition of additional Federal child support penalties would add to the State's budget deficit, which, in turn, is

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likely to result in less State funding for the County. Also, if the ultimate goal of the Federal penalties are to improve the State's child support program, then the penalties should be reinvested in the program rather than be deposited in the Federal Treasury.

DEJ:GK
MT:md

c: Executive Officer, Board of Supervisors
County Counsel